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17 JAN 1978

MEMORANDUM FOR: Director of Security

FROM: [REDACTED]
Deputy Director of Security (PTOS)

SUBJECT: Office of Security Policy Definition
Concerning Security Violations and Their
Reporting by CIA Domestic Industrial
Contractor Facilities

1. Action Requested: It is requested that you sign Attachment One and Attachment Two forwarded with this memorandum, and that you forward Attachment One to the Director of Logistics and Attachment Two to the Director, NRO, together with exemplars of the Security Violation Report Form.

2. Background: The DCI, when commenting on the Security Review Task Force Report of the [REDACTED] and Boyce/Lee Cases, expressed concern that not all security violations were being reported to Headquarters as required in Section I, Paragraph 6a(3) of the [REDACTED] Industrial Security Manual. Agency regulations currently contain no definition of a security violation. Attachments One and Two contain a definition of what constitutes a reportable security violation. Also included is a reporting form which would be used by Agency contractors to report such violations to Headquarters in a noncompartmented format.

3. Staff Position: This new definition of a reportable security violation represents the coordinated position of this Office, of the Security Staffs of the Office of Development and Engineering, the Office of Communications, the Office of Logistics, and of the NRO, as well as of the Special Security Center. The Security Violation Report Form was designed by the Office of Development and Engineering and meets with the approval of the other Offices concerned. The Office of Communications has requested a copy of the two attachments and the Security Violation Report Form. We propose to forward them as requested following your signature of Attachments One and Two.

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4. Recommendation: It is recommended that you sign and forward the attached memoranda to the Director of Logistics and to the Director, NRO, along with copies of the Security Violation Report Form for further dissemination to the Director of Logistics and the appropriate NRO Program Offices.

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Attachments

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Distribution:

- 1 - Adse w/att copy 3 of
- 2 - DD/PTOS w/att copy 4
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- ④ - SSC w/att copy 6 of
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6 FEB 1978

MEMORANDUM FOR: Director, National Reconnaissance Office

FROM: Robert W. Gambino
Director of Security

SUBJECT: Security Violations Occurring at NRO
Program Office Contractor Facilities --
Definition of and Reporting Procedures

REFERENCE: Agreement for Reorganization of the NRP
dated 11 August 1965

1. During security audits conducted at Agency-funded and NRO-funded contractors as a result of the Boyce/Lee Case, it has become apparent that some contractors have not been properly interpreting Section I, Paragraph 6a(3) of the Industrial Security Manual. Instead of reporting all security violations as required, many contractors have adopted the policy of reporting only violations which have, in their judgment, resulted in compromise or which they felt could potentially result in compromise. They have not uniformly reported other matters such as open safes or unsecured classified material found by guards, preferring to regard them simply as security "discrepancies" rather than as violations.

2. The Director of Central Intelligence has expressed concern regarding this situation and agrees that such a lack of complete reporting is unacceptable. The following policy will, therefore, apply with regard to all contracts under the cognizance of the Central Intelligence Agency:

"SECURITY VIOLATION: Any breach of security regulations, requirements, procedures or guides by an individual which subjects classified or sensitive material or information to compromise to unauthorized persons, or which places it in jeopardy where a compromise could result, constitutes a reportable security violation. Such a breach includes both acts of omission

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such as failure to properly secure classified or sensitive material, and acts of commission such as discussion of classified or sensitive information over nonsecure telephone circuits. The information and materials referred to in this definition comprise Collateral classified, SCI classified, and those materials and information which are sensitive because they involve intelligence sources and methods."

3. Pursuant to paragraph 2C(5) of reference, it is requested that you disseminate this definition to Programs A, B, and C for their notification of the appropriate contractors.

4. Along with the definition, please forward a copy of the attached Security Violation Report Form. It may be reproduced locally by each contractor as necessary. Please tell your Program Offices to inform their contractors that the Security Violation Report Forms, when filled in, are to be classified a minimum of SECRET because they relate to SCI contracts. Full Program names should not be used in reporting SCI violations on this Security Violation Report Form because the individual security files in which they will be maintained will not in every case be in a compartmented area. If it does become necessary for the contractor to report SCI details of a violation, those facts should be separately stated in an attachment which is to be maintained by the Program Office under SCI control.

5. Please advise this Office when the actions in paragraphs 3 and 4 have been accomplished.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE:

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Attachment

Distribution:

- Copy 1 - D/NRO
- 2 - BSO/NRO
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ISB/ [redacted] oca (29 Dec 77)

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